



MEDIA RELEASE
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NZ MERCHANT FEES STILL MUCH HIGHER THAN AUSTRALIA AND THE UK

Retail NZ has today released the results of its 2018 Payments Survey which show that New Zealand merchants continue to pay too much for credit and contactless debit card transactions, when compared with merchants in Australia and the UK.

"The results of our research show that, on a weighted average basis, merchant service fees (which include both interchange fees and bank margins) in New Zealand continue to be far higher than in jurisdictions such as Australia and the UK," Retail NZ's General Manager for Public Affairs, Greg Harford, said today. "The disparity in fee levels is growing as international regulators move to address the inherent unfairness in the fee levels being changed by banks and credit card schemes.

"In New Zealand, on a weighted average basis, merchants pay 1.6 per cent for accepting credit cards and 1.2 per cent for accepting contactless debit cards. This compares to 0.5 per cent and 0.2 per cent in the UK and 0.8 per cent and 0.6 per cent in Australia.

"A key concern is that the ongoing lack of regulation in New Zealand is driving expensive rewards programmes for premium cards. Because retailers tend to incorporate bank charges in overall pricing, there is effectively an inequitable wealth transfer from less well-off Kiwis to better off New Zealanders. High fee levels are costing the whole economy.

"Merchant service fees include interchange rates paid by one bank to another, as well as a range of others fees, charges and profit. Both Visa and Mastercard have recently taken steps to reduce some interchange rates. As interchange is a key component of merchant service fees, we expect to see some reduction in weighted average merchant fees in the coming months.

"Retail NZ continues to hold the view that additional transparency and regulation is possibly required, in order to bring New Zealand into line with comparable overseas jurisdictions."

[Click here](#) to see the 2018 Retail NZ Payments Survey Report.

For further information, please contact:

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